FY 2002-03 Budget Detail for RESOURCE PROTECTION

Agriculture Environmental Quality Natural Resources

Summary: Enacted Appropriation FY 2002-03 Agriculture House Bill 5642 Public Act 516 of 2002

Analyst: Tim Aben

Change	from	YTD	at	5/10	/02
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	2001-02 YTD						
	(as of 5/10/02)	Executive	House	Senate	Enacted	FTEs/Dollars	%
FTEs	653.5	635.5	635.5	635.5	635.5	(18.0)	(2.8)
Gross	\$100,466,700	\$97,454,300	\$98,570,900	\$110,364,400	\$82,495,000	(\$17,971,700)	(17.9)
IDG/IDT	\$12,238,100	\$10,953,800	\$10,953,800	\$12,453,800	\$10,953,800	(\$1,284,300)	(10.5)
Federal	\$6,957,000	\$6,639,500	\$6,639,500	\$6,639,500	\$6,639,500	(\$317,500)	(4.6)
Local	\$0	\$0	\$0	\$0	\$0	\$0	n/a
Private	\$1,121,900	\$1,127,600	\$1,127,600	\$1,127,600	\$1,127,600	\$5,700	0.5
Restricted	\$38,753,700	\$37,932,400	\$37,932,400	\$39,292,400	\$25,366,700	(\$13,387,000)	(34.5)
GF/GP	\$41,396,000	\$40,801,000	\$41,917,600	\$50,851,100	\$38,407,400	(\$2,988,600)	(7.2)

OVERVIEW

The Department of Agriculture promotes agricultural interests of the state and develops safeguards to protect the public from disease and unsanitary conditions in connection with food production and food handling, product labeling, dairy products, animals, and plants. The Department's responsibilities in the field of consumer protection include enforcement of laws relating to food, standard weights and measures, farm produce storage, and dairy products; inspection and enforcement of animal health; control of plant pests and diseases; and inspection of beans and perishable fruits and vegetables. The Department is also charged with regulating Michigan's pari-mutuel horse racing industry through the Office of the Racing Commissioner, a type I agency located in the Department. The Department's mission is: "To serve, promote and protect the agricultural interests of the people of the State of Michigan."

Major Budget Changes from FY 2001-02 YTD Appropriations:		<u>House</u>	<u>Senate</u>	Enacted
1. Food Bank Reduces grant of \$158,200 GF/GP as shown in the conference report; partial restoration contingent on passage of the cigarette tax—which passed. Funding level is consistent with balance after current-year Executive Order.	Gross	\$1,000	\$150,000	\$0
	GF/GP	\$1,000	\$150,000	\$0
2. Migrant Labor Housing Eliminates grant funding; level is consistent with balance after current-year Executive Order reduction.	Gross	\$1,000	\$1,100	\$0
	GF/GP	\$1,000	\$1,100	\$0
3. NW Michigan Horticultural Station Eliminates program GF/GP grant.	Gross	\$1,000	\$1,100	\$0
	GF/GP	\$1,000	\$1,100	\$0
4. Local Conservation Districts Reduces grant of \$488,600 GF/GP as shown in the conference report; partial restoration contingent on passage of the cigarette tax—which passed. Funding level is consistent with balance after current-year Executive Order.	Gross	\$1,000	\$1,000	\$0
	GF/GP	\$1,000	\$1,000	\$0
5. Grown in Michigan Eliminates program grant; consistent with balance after current- year Executive Order.	Gross	\$1,000	\$1,100	\$0
	GF/GP	\$1,000	\$1,100	\$0

Major Budget Changes from FY 2001-02 YTD Appropriations:		<u>House</u>	<u>Senate</u>	Enacted
6. Orchard/Vineyard Removal Eliminates program grant consistent with balance after current-year Executive Order.	Gross	\$1,000	\$1,100	\$0
	GF/GP	\$1,000	\$1,100	\$0
7. Horse Shows Reduces this grant \$23,300 GF/GP as shown in the conference report; restoration contingent on passage of the cigarette tax—which passed. Funding level is consistent with balance after current-year Executive Order.	Gross	(\$10,000)	\$76,700	\$0
	GF/GP	(\$10,000)	\$76,700	\$0
8. Open Space Development Rights Payments - VETOED Provides payments in lieu of taxes in the open space program; from DNR restricted funds.	Gross	\$0	\$50,000	\$0
	GF/GP	\$0	\$50,000	\$0
 Upper Peninsula State Fair GF/GP Funding Eliminates GF/GP portion of funding. 	Gross GF/GP	(\$167,900) (\$167,900)	\$0 \$0	(\$167,900) (\$167,900)
10. Fair and Festival Promotion - VETOED Provides funding from State Services Fee Fund for the state to provide grants to promote fairs and festivals.	Gross	\$0	\$60,000	\$0
	GF/GP	\$0	\$0	\$0
11. Horse Racing/Casino Revenue Funding Shift - VETOED Adds state services fee fund for the Office of Racing Commissioner, shifting \$1.3 million in Agriculture Equine revenue. In order to veto the \$1.3 million state services fee fund, the entire Office of Racing Commissioner and horse racing grants had to be vetoed, making the total veto \$13,975,500 restricted.	Gross	\$12,675,700	\$13,975,700	\$0
	Restr	0	13,300,000	0
	GF/GP	\$0	\$1,300,000	\$0
12. Early Retirement SavingsReduces GF/GP based on estimates of early retirees.	Gross GF/GP	\$0 \$0	(\$100) (\$100)	(\$1,315,500) (\$1,315,500)
 Budgetary Savings - 1.0% of Executive Reflects reduction to be achieved by hiring freeze. 	Gross	\$0	\$0	(\$408,000)
	GF/GP	\$0	\$0	(\$408,000)

Sec. 212. Indemnification Payments

Allows Department to use funds from any line item to provide indemnity of up to \$100,000 per order pursuant to the Animal Industry Act; requires a report; authorizes Department to make indemnification for fair market value of livestock killed by a wolf and allows Department to use funds from Department of Natural Resources reimbursement for such indemnification; requires retroactive payments for certain indemnification payments; and requires TB work project funds be used.

Sec. 222. Legislative Contact (New)

Prohibits disciplinary action from being taken against an employee who communicates with the Legislature.

Sec. 223. Early Retirement (New)

Requires that early retirement savings associated with the 2002 program be transferred to the appropriate line item by November 15, 2002.

Sec. 303. Statistical Reporting Service

Directs use of \$120,000 in statistical reporting service for ongoing rotational crop surveys on fruit, vegetable, and nursery stock.

Sec. 402. Food-Borne Outbreaks

Requires Department to report significant food-borne outbreaks to the Legislature, including enforcement activities.

Sec. 405. Local Public Health Funding

Requires Department, in conjunction with the Department of Community Health, to have a process in place requiring local units of government to obtain prior departmental approval before reallocating or redistributing program funds.

Sec. 502. Use of Disease and Pest Intervention Funds

Requires appropriation for disease and pest intervention fund program to be used by Department as needed to respond to exotic or regulatory pests or diseases.

Sec. 604. Local Conservation Districts

Allocates \$690,000 for district forestry and wildlife programs to assist with private land management; allocates \$130,000 for training; sets \$20,000 as base grant for districts meeting minimum grant requirements; and allocates remainder of funding for competitive grants, requiring at least 100% cash or in-kind local match.

Sec. 605. Open Space Development Rights Payments (New) - VETOED

Designates appropriation in Sec. 106 to reimburse local units of government for lost revenues associated with open space development rights easements. Requires unspent funds to lapse to the general fund at the end of the year.

Sec. 703. Michigan Grown Commodities

Requires that the grown in Michigan appropriation be used for competitive grants to raise in-state consumer awareness of Michigan-grown commodities, states that grants are to be made by the Michigan Commission of Agriculture according to specified priorities, requires that grants be between \$5,000 and \$25,000, requires 50:50 cash match, and requires report from the Commission of Agriculture to Legislature ten days prior to making grant.

Sec. 705. Export Program

Allocates \$200,000 for coordinating state participation in the federal Market Access Program and leveraging federal funds for developing new and enhancing existing export markets for state agriculture products.

Sec. 801. Simulcast Revenue Report

Requires monthly report on simulcasting license fee revenues.

Sec. 802. Standardbred Purses and Supplements

Directs use of standardbred purses and supplements—licensed tracks appropriation for four races at state licensed parimutuel tracks; allocates \$20,600 to Arabian/Appaloosa horse racing and \$61,900 to quarter horse racing.

Sec. 808. Youth Show

Requires that \$11,400 from the premiums appropriation be used as a grant to the Michigan horse show association fall youth show.

Sec. 810. Michigan Festivals

Allocates funding to Michigan festivals contingent on 100% cash or in-kind match.

Sec. 815. Race Meets at County Fairs

Provides \$50,000 to race meet operators for promotions, capital improvements, or operations at race meets which are conducted on facilities leased from county fairs (Jackson, Mt. Pleasant, Saginaw).

Sec. 816. Fairs and Festivals - VETOED

Allocates \$60,000 to Department to provide grants to the industry for statewide volunteer staff education and promotion of commodities.

Sec. 817. Horse Shows

Allocates \$100,000 for grants to national or international equine events held at MSU.

Supplemental for Fiscal Year 2001-02:		<u>House</u>	<u>Senate</u>	Enacted
Indemnification Payments - Turkey Farm Indemnification payments for destroying flock due to avian influenza infection.	Gross	\$0	\$235,000	\$235,000
	GF/GP	\$0	\$235,000	\$235,000

Summary: Enacted Appropriation FY 2002-03 Environmental Quality Senate Bill 1104

Public Act 520 of 2002

Analyst: Kirk Lindquist

						Change from YTD at	5/10/02
	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	FTEs/Dollars	%
FTEs	1678.7	1,596.7	1,596.7	1,596.7	1,596.7	-82	-4.9
Gross	\$470,506,230	\$404,825,600	\$404,907,300	\$404,107,300	\$404,299,600	(\$66,206,630)	-14.1
IDG/IDT	\$17,809,000	\$14,042,900	\$14,042,900	\$14,042,900	\$14,042,900	(\$3,766,100)	-21.1
Federal	\$140,407,600	\$131,531,600	\$131,521,400	\$131,521,400	\$131,521,400	(\$8,886,200)	-6.3
Local	\$1,133,400	\$0	\$0	\$0	\$0	(\$1,133,400)	-100
Private	\$433,700	\$435,700	\$435,700	\$435,700	\$435,700	\$0	0
Restricted	\$227,108,830	\$184,155,300	\$184,157,100	\$187,357,200	\$188,857,100	(\$38,251,730)	-16.8
GF/GP	\$83,613,700	\$74,660,100	\$74,750,200	\$74,750,100	\$69,442,500	(\$14,171,200)	-16.9

OVERVIEW

The Department of Environmental Quality is responsible for the protection, maintenance, and improvement of Michigan's environmental quality. Special attention is given to programs that protect public health and natural resources. The Department was formed in 1995 when its functions were separated from the Department of Natural Resources. Its programs include water and air quality control, environmental health and public water supply protection, storage tank and contaminated site cleanup, brownfield redevelopment, and pollution prevention services.

Major Budget Changes from FY 2001-02 YTD Appropriation	<u>Senate</u>	<u>House</u>	<u>Enacted</u>	
 Water Quality Monitoring: Lake St. Clair Adds Cleanup and Redevelopment Fund for a grant to St. Clair County to monitor waters flowing into Lake St. Clair. 	Gross Restr GF/GP	\$0 0 \$0	\$2,500,100 2,500,100 \$0	\$2,500,100 2,500,100 \$0
2. General Fund Reductions: Pending Gas Tax Increase Reduces several programs to cover possible revenue shortfalls if the proposed \$.35 increase in the cigarette tax was not approved: Funding Shift to Waste Reduction Fees . \$2,000,000 Hazardous Substance Resource Center	Gross Restr GF/GP	\$0 0 \$0	\$0 \$0	(\$990,000) 2,000,000 (\$2,990,000)
 Early Retirement Savings Line item established to reflect expected GF/GP savings from the 2002 Early Retirement Program. 	Gross GF/GP	\$0 \$0	(\$100) (\$100)	(\$1,481,000) (\$1,481,000)
 Departmentwide General Fund Savings Line item established to reflect mandatory GF/GP savings. 	Gross GF/GP	\$0 \$0	\$0 \$0	(\$746,600) (\$746,600)

Major Budget Changes from FY 2001-02 YTD Appropriation	<u>Senate</u>	<u>House</u>	<u>Enacted</u>	
5. Oil and Gas Orphan Well Plugging and Cleanup	Gross Restr	\$682,700 682,700	\$682,700 682,700	\$682,700 682,700
Adds Oil and Gas Orphan Well Fund revenue to increase the number of abandoned wells which can be plugged each year.	GF/GP	\$0	\$0	\$0
6. Oil and Gas Program Field Staff Adds Oil and Gas Surveillance Fee revenue to support two	Gross Restr	\$144,000 144,000	\$144,000 144,000	\$144,000 144,000
additional field geologist positions to monitor and regulate oil and gas development activities.	GF/GP	\$0	\$0	\$0
7. Department of Information Technology Sets aside funds for the new Department of Information Technology; appropriations (\$7.3 million gross, \$2.9 million GF/GP) are established as interdepartmental grants.	Gross GF/GP	\$0 \$0	\$0 \$0	\$0 \$0
8. Restricted and Federal Fund Adjustments Reduces deducts to reflect expected available revenue.	Gross Federal	(\$11,843,000) (748,200)	(\$11,843,000) (748,200)	(\$11,843,000
reduced deducte to remost expected available revenue.	Local	(1,133,400)	(1,133,400)	(748,200)
	Restr GF/GP	(9,961,400) \$0	(9,961,400) \$0	(1,133,400) (9,961,400) \$0
9. Environmental Response Fund Funding Switch	Gross	\$0	\$0	\$0 8,500,000
Replaces GF/GP support for environmental cleanup programs with responsible party and court settlement revenue.	Restr GF/GP	8,500,000 (\$8,500,000)	8,500,000 (\$8,500,000)	(\$8,500,000)
10. Remove Clean Michigan Initiative One-Time	Gross	(\$61,014,000)	(\$61,014,000)	(\$61,014,000
Grants Deletes Clean Michigan Initiative Bond funding for one-time site cleanup and storage tank projects.	Restr GF/GP	(61,014,000) \$0	(61,014,000) \$0	(61,014,000) \$0
 Arsenic Testing and Education - VETOED Adds funds to support an arsenic testing program. 	Gross Restr	\$0 0	\$500,000 500,000	\$0 O
Adds fullus to support an aisenic testing program.	GF/GP	\$0	\$00,000	\$0
12. Scrap Tire Demonstration ProjectRestores funds included in FY 2001-02 to demonstrate	Gross Restr	(\$200,000) (200,000)	\$0 O	\$0 O
recycling options for scrap tires.	GF/GP	\$0	\$0	\$0
13. Low Income Community Wastewater Assistance	Gross GF/GP	\$90,000 \$90,000	\$90,000 \$90,000	\$0 \$0
Senate and House restored funding for this program, but it was deleted in the enacted bill.	01701	ψ50,000	ψ30,000	Ψ
14. Early Retirement Terminal Sick Leave Payments and Lump Sum Pay Adjustments	Gross Restr	(\$885,300) (458,700)	(\$885,300) (458,700)	(\$885,300) (458,700)
Provides reduction to partially cover the cost of economic adjustments (\$2.7 million gross, \$1.5 million GF/GP).	GF/GP	(\$426,600)	(\$426,600)	(\$426,600)
15. Economic and Inflationary AdjustmentsProvides a 2% salary increase, increased group insurance	Gross Restr	\$2,096,200 801,200	\$2,096,200 801,200	\$2,096,200 801,200
and workers compensation premiums, and rent adjustments.	GF/GP	\$1,295,000	\$1,295,000	\$1,295,000

GENERAL

Sec. 220. Environmental Response Fund Revenue (New)
Requires reporting of the Environmental Response Fund balance.

DEPARTMENT SUPPORT SERVICES

Sec. 301. Lease Cancellations: Knapps Center, Strohs Place, and Shiawassee Field Office (New)

Cancels private leases for space occupied by Department.

SURFACE WATER QUALITY

Sec. 602. Beach Water Quality Information (New) - VETOED

Requires posting signs at public beaches informing users where information on the most recent water quality tests might be found.

Sec. 604. Greening Governments Report (New)

Requires reporting findings included in the recently-published Greening Governments study.

ENVIRONMENTAL ASSISTANCE

Sec. 1003. Toxic Substance Reclamation (New)

Requires studying options to be considered as toxic material removal techniques that might be used by auto recyclers.

Sec. 1202. Information Technology Appropriation - Work Project Status (New)

Gives work project status to the Information Technology appropriation.

GRANTS

Sec. 1204. Loans to Communities to Comply with Federal Arsenic Standards (New)

Allows Department to make loans to communities to assist efforts to comply with arsenic drinking water standards.

Sec. 1205. Grant to St. Clair County: Water Quality Monitoring (New)

Provides funds to establish a comprehensive water quality monitoring program for watersheds feeding into Lake St. Clair.

INFORMATION TECHNOLOGY

Sec. 1301. Schedule of Rates, User Fees, and Other Charges (New)

Provides that Department of Information Technology will establish rates and service charges for FY 2002-03 interdepartmental charges by October 1, 2002.

Summary: Enacted Appropriation FY 2002-03 Natural Resources Senate Bill 1106 Public Act 525 of 2002

Analyst: Kirk Lindquist

						Change from YTD at	5/10/02
	2001-02 YTD (as of 5/10/02)	Executive	Senate	House	Enacted	FTEs/Dollars	%_
FTEs	2183.5	2,081.5	2,081.5	2,081.5	2,081.5	-102	-4.7
Gross	\$293,502,200	\$254,418,400	\$258,838,900	\$260,244,300	\$255,822,000	(\$37,680,200)	-12.8
IDG/IDT	\$3,416,900	\$3,347,900	\$3,347,900	\$3,347,900	\$3,347,900	(\$69,000)	-2
Federal	\$30,129,000	\$28,727,600	\$28,729,600	\$30,427,300	\$30,427,300	\$298,300	1
Local	\$0	\$0	\$0	\$0	\$0	\$0	0
Private	\$1,860,800	\$1,771,400	\$1,771,400	\$1,793,700	\$1,793,700	(\$67,100)	-3.6
Restricted	\$212,782,400	\$174,932,400	\$175,998,300	\$177,138,800	\$176,338,800	(\$36,443,600)	-17.1
GF/GP	\$45,313,100	\$45,549,100	\$47,446,700	\$47,446,600	\$43,824,300	(\$1,488,800)	-3.3

OVERVIEW

The Department of Natural Resources operates under the direction of the seven-member Natural Resources Commission, and is responsible for management and protection of Michigan's natural resources. Department programs include fisheries, wildlife, forest management, and recreation programs through the state parks system.

Major Budget Changes from FY 2001-02 YTD Appropriations:		<u>Senate</u>	<u>House</u>	Enacted
1. Early Retirement Savings Reduces GF/GP to reflect the initial cut of \$815,000 and an additional \$454,300 to refill vacated positions in other departments. Plan allows DNR to refill 58 (or 1:4) positions departmentwide and allows Department to refill positions funded from restricted sources.	Gross GF/GP	\$0 \$0	(\$100) (\$100)	(\$1,269,300) (\$1,269,300)
 General Fund Reduction Reduces GF/GP by 1% to meet target agreement. 	Gross GF/GP	\$0 \$0	\$0 \$0	(\$455,500) (\$455,500)
3. Payments in Lieu of Taxes Adds funds for property tax payments to local governmental units. Executive recommended this appropriation be a grant item—no longer based on a valuation of state purchased property; Senate and House included funding required by statute; Conference Committee funded the GF/GP increase from Section 29 Credit revenue (Environmental Protection Fund), but this change was vetoed by the Governor.	Gross Restr GF/GP	\$3,162,100 1,264,500 \$1,897,600	\$3,162,200 1,264,600 \$1,897,600	\$1,264,600 1,264,600 \$0
4. Bovine TB Surveys Adds GF/GP to survey the Michigan deer herd for the presence of bovine TB.	Gross GF/GP	\$2,000,000 \$2,000,000	\$2,000,000 \$2,000,000	\$2,000,000 \$2,000,000
5. Federal Land and Water Conservation Grants Increases grant authorization; the federal budget fully funds this recreation grant program.	Gross Federal GF/GP	\$0 0 \$0	\$1,500,000 1,500,000 \$0	\$1,500,000 1,500,000 \$0
6. State Park and Access Site Cost Adjustments Adds funds to support operations, maintenance, and utility costs at state parks and public access sites.	Gross Restr GF/GP	\$1,445,800 1,309,000 \$406,800	\$1,445,800 1,309,000 \$406,800	\$1,445,800 1,309,000 \$406,800

Major Budget Changes from FY 2001-02 YTD Appropriations:			<u>House</u>	Enacted
7. State Park Bond Debt Service Increases state park improvement appropriations to cover expected debt service obligations on park improvement bonds.	Gross	\$1,200,000	\$1,200,000	\$1,200,000
	Restr	1,200,000	1,200,000	1,200,000
	GF/GP	\$0	\$0	\$0
8. Timber Harvest Funding Reduces Forest Development Fund appropriations to reflect expected revenues.	Gross Restr GF/GP	(\$2,900,000) (2,900,000) \$0	(\$2,900,000) (2,900,000) \$0	(\$2,900,000) (2,900,000) \$0
9. Cooperative Resource Programs Reinstates local assistance program (through local soil conservation districts); funding was deleted in Executive Order 2001-9.	Gross	\$0	\$400,000	\$400,000
	Restr	0	400,000	400,000
	GF/GP	\$0	\$0	\$0
10. Economic and Inflationary Adjustments Provides a 2% salary increase, increased group insurance and worker's compensation premiums, and rent adjustments.	Gross	\$1,346,300	\$1,346,300	\$1,346,300
	Restr	1,064,100	1,064,100	1,064,100
	GF/GP	\$282,200	\$282,200	\$282,200

Sec. 216. Early Retirement Savings (New)

Provides that budget savings will be made from this line item by legislative transfer.

WILDLIFE MANAGEMENT

Sec. 604. Chronic Wasting Disease (New)

Directs Department to develop a strategy to address chronic wasting disease in wildlife populations.

PARKS AND RECREATION

Sec. 803. Park Construction Projects (Revised)

Includes a new report on state park use and revenue.

FOREST, MINERAL, AND FIRE MANAGEMENT

Sec. 907. Emergency Appropriation - Abandoned Mineshaft Collapse (New)

Adds \$350,000 GF/GP for emergency expenditure if recommended by the State Budget Director.

Sec. 1051. Payment In Lieu of Taxes - Environmental Protection Fund (New) - VETOED

Expresses legislative intent for the funding shift from GF/GP to Section 29 Credit revenue.

INFORMATION TECHNOLOGY

Sec. 1201. Schedule of Rates, User Fees, and Other Charges (New)

States that Department of Information Technology is to establish rates and service charges for FY 2002-03 interdepartmental charges by October 1, 2002.

Sec. 1202. Information Technology Appropriation-Work Project Status (New)

Gives work project status to the Information Technology appropriation.

FY 2001-2001 GRANTS

Sec. 1501. Marine Safety Grants - Boat Noise Abatement Study (New)

Directs Michigan State University to develop equipment to measure sound levels of watercraft engines. Funds to be matched with contributions from lake property associations.

Supplemental for FY 2001-02:		<u>Senate</u>	<u>House</u>	Enacted
1. Payments in Lieu of Taxes (New)	Gross	\$771,000	\$771,000	\$202,300
Adds funds for payment of property tax obligations to local governmental	Restr	172,300	172,300	202,300
units. Executive recommended this appropriation be a grant item—no	GF/GP	\$598,700	\$598,700	\$0
longer based on a valuation of state purchased property. Governor vetoed				
the Environmental Protection Fund appropriation that would have replaced				
GF/GP support.				

Supplemental for FY 2001-02:		<u>Senate</u>	<u>House</u>	Enacted
2. Watercraft Noise Abatement Study (New)	Gross	\$0	\$35,000	\$35,000
Adds funds to cover FY 2001-02 payments. This discontinues the practice	Restr	0	35,000	35,000
of paying for current-year grants from the request year appropriation and	GF/GP	\$0	\$0	\$0
provides \$35,000 for a watercraft noise abatement study.				